

Article - Health - General

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§19-713.

(a) (1) Each health maintenance organization shall file with the Commissioner and pay the applicable filing fee as provided in § 2-112 of the Insurance Article, before they become effective:

(i) All rates that the health maintenance organization charges subscribers or groups of subscribers; and

(ii) The form and content of each contract between the health maintenance organization and its subscribers or groups of subscribers.

(2) (i) A health maintenance organization that offers a health benefit plan, as defined in § 11-601 of the Insurance Article, is subject to Title 11, Subtitle 6 of the Insurance Article for the health benefit plan.

(ii) If the provisions of Title 11, Subtitle 6 of the Insurance Article conflict with the provisions of this section, the provisions of Title 11, Subtitle 6 of the Insurance Article shall prevail.

(b) (1) Rates of a health maintenance organization may not be excessive, inadequate, or unfairly discriminatory in relation to the services offered.

(2) A health maintenance organization that includes a subrogation provision in its contract as authorized under § 19-713.1(d) of this subtitle shall:

(i) Use in its rating methodology an adjustment that reflects the subrogation; and

(ii) Identify in its rate filing with the Maryland Insurance Administration, and annually in a form approved by the Insurance Commissioner, all amounts recovered through subrogation.

(c) (1) If, at any time, a health maintenance organization wishes to amend any contract with its subscribers or change any rate charged, the health maintenance organization shall file with the Commissioner the number of copies of the amendment or rate change that the Commissioner requires.

(2) The Commissioner shall provide the Department with the number of copies it requires.

(d) The Commissioner shall coordinate the contract and related rate filing review under this section.

(e) (1) If within 60 days after a filing made pursuant to this section, the Commissioner finds the filing does not meet the requirements of subsection (f) of this section, the filer shall be sent notice of disapproval specifying in what respects the Commissioner finds that the filing fails to meet the requirements of this section and stating that the filing shall not become effective.

(2) The Commissioner may extend the initial review period described in paragraph (1) of this subsection for up to an additional 30 days if the Commissioner gives notice to the health maintenance organization of the extension before the initial review period ends.

(3) The Commissioner may not issue a notice of disapproval of a filing under subsection (f) of this section without a statutory or regulatory basis for the disapproval and an explanation of the application of the statutory or regulatory basis which resulted in the disapproval.

(f) The Commissioner shall disapprove any form filed, or withdraw any previous approval, if the form:

(1) Is in any respect in violation or does not comply with this article or applicable regulations;

(2) Contains, or incorporates by reference, any inconsistent or inapplicable clauses, exceptions, or conditions which affect the risk purported to be assumed in the general coverage of the contract;

(3) Has any title, heading, or other indication of its provisions which is likely to mislead the subscriber or member;

(4) Includes provisions that are inequitable, or provisions that lack any substantial benefit to the subscriber or member;

(5) Is printed or otherwise reproduced in a manner as to render any provision of the form substantially illegible; or

(6) Provides benefits that are unreasonable in relation to the premium charged.

(g) (1) Except as provided in paragraph (2) of this subsection, unless the Commissioner disapproves a filing under this section, the filing becomes effective:

(i) 60 days after the office of the Commissioner receives the filing;

(ii) If the Commissioner extends the review period under subsection (e)(2) of this section, on the date specified in the notice required under subsection (e)(2) of this section; or

(iii) On any other date that the Commissioner sets.

(2) The Commissioner may adopt regulations to allow a type or kind of form to be effective upon receipt of the filing by the Commissioner.

(3) If a health maintenance organization uses a form which becomes effective in accordance with the provisions of paragraph (2) of this subsection and the form would be subject to disapproval under subsection (f) of this section, the Commissioner may:

(i) Subsequently disapprove the form; and

(ii) Find the health maintenance organization to be in violation of § 19–729 of this subtitle and impose a penalty as provided in § 19–730 of this subtitle.

(4) If a health maintenance organization files a form with the Commissioner which becomes effective in accordance with the provisions of paragraph (2) of this subsection, the health maintenance organization shall pay the applicable filing fee provided in § 2–112 of the Insurance Article.

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